

## Message Text

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PAGE 01 GENEVA 02981 250254Z  
ACTION EB-08

INFO OCT-01 EUR-12 IO-13 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02 OMB-01  
DOE-11 STRE-00 AF-10 ARA-10 EA-10 NEA-10 ISO-00  
/157 W

-----032795 251128Z /14

R 241753Z FEB 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC 6434  
INFO AMEMBASSY BRUSSELS  
AMEMBASSY PARIS

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USEEC USOECD

PASS STR ELECTRONICALLY

E.O. 11652: N/A  
TAGS: GATT  
SUBJECT: GATT COUNCIL

REF: (A) 77 GENEVA 10297, (B) GENEVA 1668

1. SECRETARIAT IS AIMING FOR A MEETING OF THE GATT COUNCIL  
THE WEEK OF MARCH 13, PROBABLY EITHER MARCH 14 OR 15,  
DEPENDING UPON THE AVAILABILITY OF THE COUNCIL CHAIRMAN.

2. TENTATIVE AGENDA INCLUDES THE FOLLOWING ITEMS:  
(A) DISC AND RELATED TAX PRACTICES. SECRETARIAT SAYS  
THIS ITEM WILL BE PLACED ON THE AGENDA AUTOMATICALLY  
SINCE THE COUNCIL CHAIRMAN INDICATED AT THE LAST MEETING  
THAT HE WOULD REFLECT ON THE EC PROPOSAL (REF A) AND  
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GIVE HIS VIEWS AT THE NEXT MEETING OF THE COUNCIL. WE  
RECOMMENDED (REF B) THAT WE INFORM COUNCIL OF PRESIDENT'S  
PROPOSAL TO CONGRESS CONCERNING PHASE-OUT OF DISC. WE  
SHOULD ALSO SEEK TO AVOID ANOTHER STERILE CONFRONTATION  
IN THE COUNCIL BY SEEKING EC AGREEMENT TO ASK THE CHAIR-  
MAN TO NOTE THAT THE INTERESTED PARTIES ARE DISCUSSING  
THE ISSUE AND TO CARRY IT OVER TO A FUTURE MEETING OF

THE COUNCIL. IN THE MEANTIME, WE AND THE EC COULD ATTEMPT TO AGREE IN THE OECD ON A DEFINITION OF ARMS LENGTH PRICING THAT COULD BE USED IN INTERPRETING THE PANEL'S REPORTS ON THE TAX PRACTICES OF FRANCE, BELGIUM AND THE NETHERLANDS. (WE WOULD APPRECIATE A REPORT ON HOW THIS EXERCISE STANDS, AND THE FUTURE SCHEDULE.) WE UNDERSTAND THAT THE EC MEMBER STATES WILL HOLD A CO-ORDINATION MEETING IN BRUSSELS WITHIN THE NEXT WEEK OR SO AT WHICH DISC IS LIKELY TO BE DISCUSSED. WE BELIEVE IT WOULD BE USEFUL IF WASHINGTON COULD DETERMINE HOW WE WISH TO HANDLE MATTER AT COUNCIL, SO THAT WE AND USEC COULD BE INSTRUCTED PRIOR TO THAT MEETING TO DISCUSS THE ISSUE WITH APPROPRIATE OFFICIALS.

(B) EXPORT COST INFLATION INSURANCE. AT LAST COUNCIL, CANADIANS PROPOSED THAT A PANEL BE ESTABLISHED. CANDEL HAS TOLD US THAT HE WILL BE CIRCULATING DRAFT TERMS OF REFERENCE TO KEY DELS WITHIN THE NEXT WEEK. THESE TERMS OF REFERENCE WILL CALL FOR ESTABLISHMENT OF PANEL UNDER GATT ARTICLE XXII WITH COVERAGE NARROWLY LIMITED TO COST INFLATION INSURANCE SCHEMES.

(C) BRAZIL -- ARTICLE XXVIII EXTENSION OF WAIVER.

(D) PANEL REPORT ON SKIM MILK POWDER.

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(E) PANEL REPORT ON THROWN SILK.

(F) REPORT OF BALANCE OF PAYMENTS CONSULTATIONS WITH PORTUGAL, PAKISTAN, TURKEY, INDIA, ARGENTINA AND CHILE.

(G) WP REPORT ON BANGKOK AGREEMENT.

(H) WP REPORT ON TRADE WITH HUNGARY

(I) ANGLO-IRISH FREE TRADE -- BIENNIAL REPORT.

WE SENDING SEPTTEL RE POSSIBLE ITEM ON NOTIFICATION PROCEDURES. VANDEN HEUVEL

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NNN



## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETING AGENDA, TAXES, COMMITTEES  
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**Copy:** SINGLE  
**Draft Date:** 24 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978GENEVA02981  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780087-1256  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 GENEVA 10297, 78 GENEVA 1668  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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